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83 Dec 69

MEMORANDUM FOR THE RECORD

SUBJECT : Attached Review of Punched Card Accounting Machine (PCAM)
Equipment Leased for RID Use

REFERENCE: Meeting on 13 November 1969 with Mr. [REDACTED] Chief
Systems Engineer, Systems Group

25X1A

1. During referenced meeting, Mr. [REDACTED] advised that three of the six 25X1A items involved in this review have special, one-time features and modifications which are not offered by the alternate suppliers. Accordingly, the used machines, as offered by the alternative suppliers, will not meet RID needs. The special modifications are included on the following:

Verifier, Type 56 Model 1 (Modification unique to RID)
Sorter, Type 83 Model 1 (one machine)
Punch, Type 514 Model 3

2. In view of this, it is Mr. [REDACTED] opinion that it would not be practical 25X1A from the standpoint of efficient and secure maintenance to obtain the remaining three machines from alternative suppliers. Such an arrangement could result in maintenance being performed by as many as four different suppliers, and a multiple increase in the number of contractor maintenance personnel having access to RID premises.

3. The three available items are presently leased from IBM at a total cost of \$6,048 annually, including all maintenance. Leasing from the lowest cost alternative sources would total \$4,707.

4. Exercising the IBM purchase options would require an initial investment of \$14,500. IBM is the lowest cost purchase source for all except one machine (Document machine, Type 519, Model 1). If the equipment were purchased, continuing contract maintenance charges would amount to \$4,100 annually from IBM and \$3,900 from the lowest cost alternative sources. Mr. [REDACTED] has reservations, however, as to 25X1A economic advantage of an RID determination to purchase the installed machines. His opinion is based on the age of the equipment and the fact that two of the machines (Collator, Type 89, Model 1 and Sorter, Type 83, Model 1) are over eleven years old and should be replaced with new equipment.

Declassified by 054979
date 6 DEC 1973

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25X1A 5. In summary, Mr. [REDACTED] does not believe that arrangements with alternative suppliers would be feasible for RID from the standpoint of efficient and secure maintenance, nor would it be economically advantageous to purchase the installed machines from IBM. He also states that this position is concurred in by the Chief of the Automatic Data Processing Branch, RID and the DD/P Information Processing Coordinator.

25X1A 6. Mr. [REDACTED] recommends that the total question involved here be referred to the Agency Information Processing Technical Group which operates under the Information Processing Board recently created by the Executive Director-Comptroller.

[REDACTED] 25X1A

cc: RID